CALIFORNIA PCIP Pre-Existing Condition Insurance Plan

OUTREACH NEWSLETTER

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COVERED CALIFORNIA

Covered California Assisters Program
ASSISTER ENROLLMENT ENTITY INTEREST FORMS NOW BEING ACCEPTED

About Covered California

Covered California's mission is to increase the number of Californians with health insurance, improve the quality of health care, reduce healthcare coverage costs and make sure California's diverse population has a fair and equal access to quality health care. Individuals will have the ability to choose the health plan that offers the best services at the greatest value.

California was the first state to create a health benefit exchange following the passage of federal health care reform. Covered California is charged with creating a new insurance marketplace in which individuals and small businesses can get access to health insurance. With coverage starting in 2014, through Covered California, individuals may be able to receive financial assistance to help reduce the cost towards their health care. For example, individuals may qualify to:

- **Receive tax credits:** Individuals can use their tax credits in advance and immediately apply them towards their monthly premium.
- **Reduce out-of-pocket expenses:** Lowers the amount that an individual pays toward copays and deductibles.

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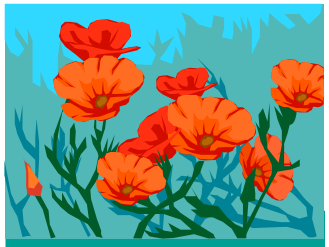

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To qualify for financial assistance, an individual must meet certain requirements, including:

- Household income limits, and
- U.S. citizenship, U.S. nationality, or legal residency status.

Covered California's Assisters Program

Covered California's Assisters Program will be implemented statewide and will be comprised of trusted and known organizations that are critical resources in order to build a "culture of coverage" to help millions of Californians enroll into affordable health insurance.

Covered California's Assisters Program will:

- Engage organizations to help consumers learn, navigate, and apply for Qualified Health Plans (QHP) offered by Covered California in the Individual Market.
- Motivate consumers to take steps to enroll into Covered California.
- Provide one-on-one, in-person assistance to help California's diverse population learn about their health insurance coverage options in culturally and linguistically appropriate manners.

To reach as many people as possible, Covered California will be working with many organizations to educate Californians about Covered California Health Plans and assist individuals apply for Covered California programs. These organizations' expertise in reaching out and assisting individuals throughout our state will help Covered California connect with millions of uninsured Californians.

Assister Enrollment Entities eligible for compensation will receive $58 compensation from Covered California for each successful application that results in enrollment into a Covered California Health Plan.

What are Assister Enrollment Entities?

- Entities and organizations eligible to be trained and registered to provide in-person assistance to consumers and help them apply for Covered California programs.
- Entities that have access to Covered California target populations

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Who can be an Assister Enrollment Entity?

Agents and Brokers*	Hospitals**
American Indian Tribe or Tribal Organizations	Indian Health Services Facilities
Attorneys (e.g., family law attorneys who have clients that are experiencing life transitions)	Labor Unions
Chambers of Commerce	Non-Profit Community Organizations
City Government Agencies	Providers**
Commercial fishing, industry organizations	Ranching and farming organizations
Community Clinics	Resource partners of Small Businesses
Community Colleges and Universities	School Districts
County Health Department that provide health	Tax Preparers
Faith-Based Organizations	Trade, industry, and professional organizations

* Agents and Brokers are not eligible to receive compensation through Covered California; Licensed Health Agents will receive compensation directly from the Qualified Health Plan.
** Except for non-profit Community Clinics, providers and hospitals are not eligible to receive compensation through Covered California.

Are you interested in becoming an Assister Enrollment Entity?

Organizations interested in becoming an Assister Enrollment Entity should fill out the Assister Enrollment Entity Interest Form. Organizations will be contacted once the Assister Enrollment Entity Application is available and will receive important updates about Covered California's Assisters Program.

To fill out the Assister Enrollment Entity Interest Form and to view the Assisters Program Proposed Timeline, please go to: http://www.healthexchange.ca.gov/Pages/AssistersProgram.aspx.

If you have additional questions or need further assistance, please **call the Covered California Assisters Program Help Desk at 1-888-402-0737 (Monday-Friday, 8:00 AM – 5:00 PM).**

For more information on Covered California, please visit www.coveredCa.com and/or www.healthexchange.ca.gov.

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Major Risk Medical Insurance Program (MRMIP) Total Enrollment Trends

Since the California Pre-Existing Condition Insurance Plan (PCIP) federal program began in October 2010, the enrollment in the California state high risk pool, MRMIP, has steadily decreased. However, the Managed Risk Medical Insurance Board (MRMIB), the state agency that administers both PCIP and MRMIP, adopted Emergency Regulations to implement the changes enacted in AB 1526, allowing the MRMIB to further subsidize MRMIP subscriber contributions so that subscribers pay no more than 100 percent of the average individual rate for comparable coverage effective January 1, 2013. Due to the premium subsidy implementation, MRMIP enrollment started to increase. January 2013 was the first month since September 2011 to see an increase in total enrollment.

Today, MRMIP has seen even faster growth in enrollment numbers due to the federal direction received on February 15, 2013 to suspend new PCIP enrollments for applications received on or after March 3, 2013. This means that the MRMIP may reach its enrollment cap of 7,000 before the end of 2013. Due to funding purposes, when MRMIP reaches the maximum enrollment, applicants and their dependents may be placed on an enrollment waiting list. They will be enrolled in the order of their application receipt date once spaces become available.

During a MRMIP enrollment waiting period, no premiums are paid by applicants on the waiting list. However, if an applicant has been on the waiting list for 180 days or more, that applicant will receive a full waiver of the post-enrollment waiting period or the pre-existing condition exclusion period. In addition, if an applicant has been on the waiting list for 60 days or more, the initial premium payment will be refunded. Once the applicant has been notified by the MRMIP that enrollment is possible, the initial premium payment will be due within 30 days of the notification.

The first chart on the next page shows the MRMIP total enrollment trends from January 2012 to April 2013. The trend highlights the implementation of the AB 1526 effective January 1, 2013 and the PCIP Enrollment Suspension effective March 3, 2013.

The second chart on the next page shows the change over the last 6 months in the program preference marked on the initial application. The drastic fall in applicants requesting the PCIP program indicates that the message of the enrollment suspension has been received by the general public. This is in no small part due to the communication of the Enrollment Entities (EEs) and Certified Application Assistants (CAAs) or the Insurance Agents and Brokers that have helped Californians with their applications.

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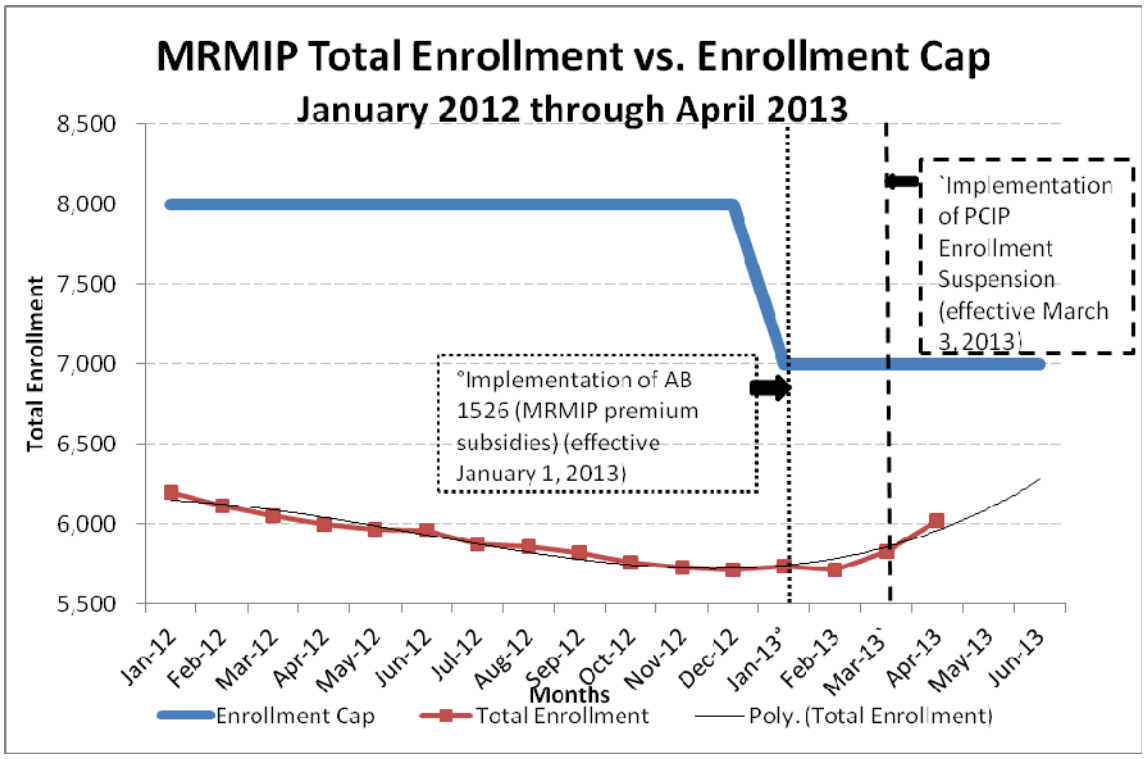

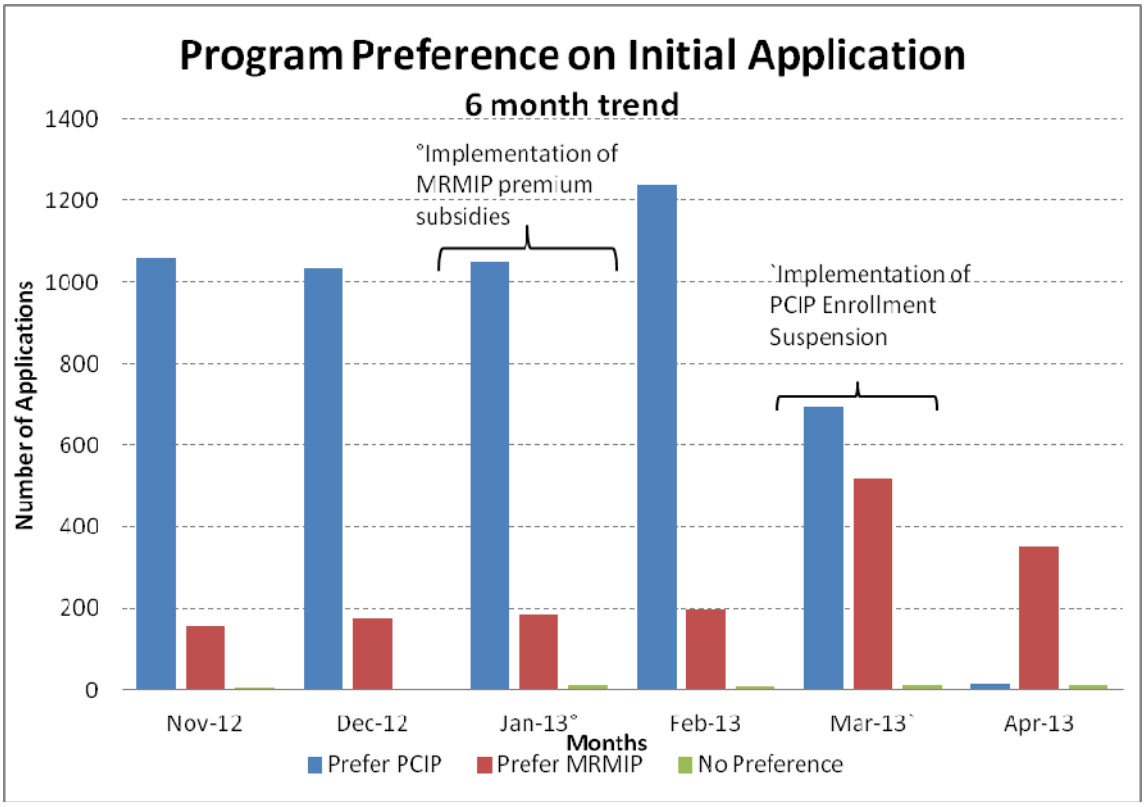

MRMIP Still Open for Enrollment

PCIP/MRMIP Applications received **after** March 2, 2013, will be screened for the Major Risk Medical Insurance Plan (MRMIP) eligibility. MRMIP, the California state high risk pool **is still open for new enrollment** and available for individuals with a pre-existing condition.

MRMIP provides health insurance for Californians who are unable to obtain coverage in the individual health insurance market because of their pre-existing conditions. Qualified Californians for the program participate in the cost of their coverage by paying monthly premiums. The State of California supplements those premiums to cover the cost of care in MRMIP. Tobacco tax funds currently subsidize the MRMIP.

Individuals may qualify for MRMIP if:

- They are a resident of California.
- They have a pre-existing condition as shown by:
    - A denial letter from a health insurance company or health plan dated within the last 12 months, or
    - An offer of individual (not group) health coverage with premiums that are higher than the rates of your first MRMIP plan choice. The offer letter must be dated within the last 12 months, or
    - Involuntary termination from a health plan, Health Insurance Company or employer plan for reasons other than fraud or non-payment of premiums. The involuntary termination letter must be dated within the last 12 months.
- They are not eligible for Medicare Part A and Part B (except for end-stage renal disease) or for COBRA or Cal-COBRA benefits.

For more information about the MRMIP or to request a copy of the PCIP/MRMIP Application and Handbook, please visit our website at www.mrmib.ca.gov, or call toll-free 1-800-289-6574.

Benefits Corner

Which services require prior authorization?

Prior authorization is required before the subscriber can obtain the following services:

- All inpatient hospital admissions;
- Certain outpatient surgical procedures;
- All out-of-network home health care and infusion therapies;
- Speech and occupational therapies;
- Specialty drugs;
- Organ and bone marrow or stem cell transplants;
- Skilled nursing facility admission;
- Hospice;
- Certain durable medical equipment (DME);
- Services considered experimental or investigational;
- Alternative benefits;
- Cancer clinical trials;
- Emergency admissions must be authorized within 48 hours following the admission.

It is the responsibility of a subscriber to ensure that prior authorization is obtained from PCIP for certain services, including those listed above. In-network providers should coordinate with PCIP for prior authorization and out-of-network provider may coordinate prior authorization on your behalf as well. However, a subscriber should always ask if the provider received prior authorization for services as a subscriber may be responsible for the full cost of any unauthorized services received. Information on prior authorization can be found in the Summary Plan Description under "Section 1. PCIP Facts," and "Section 4. What PCIP Covers."

For more information please see the PCIP Summary Plan Description booklet.